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Labor Defeats 'Down Under' Mark Slight Shift to Right

Socialism "down under" suffered a double-barreled defeat with the rejection of the Australian Labor government at the polls on December 10 and a similar fall from grace of the New Zealand Labor party on November 30. In Australia the election results ended eight years of Labor rule and brought back to power Robert Gordon Menzies, Prime Minister from 1939 to 1941, who will lead his own Liberals in a coalition with the Country party. In New Zealand Prime Minister Peter Fraser's government was replaced by a National party cabinet under the premiership of Sidney G. Holland. In both cases the victors had campaigned with promises of reduced government economic controls without, however, diminishing the two nations' notable social services.

Portents for Britain?

The two elections have been closely watched throughout the world for signs of a trend that might have meaning for the coming contest in Britain next year or even for the United States in 1952. While the parallel between the politics of the two dominions and the United States is rather farfetched, the electoral decisions in the antipodes illuminate some of the problems of British-type socialism, especially if examined in their own context. Moreover, the fact that the United Kingdom now has the only Labor government in the Commonwealth may yet prove to have some significance with respect to sterling area trade policy.

There are, however, striking contrasts between Britain and the two dominions. Britain is an industrial and densely popu-

lated country emerging from a war which imposed great economic losses and reversed its previously favorable position as an exporter of manufactures and an importer of primary commodities. Australia and New Zealand are underpopulated lands producing primary commodities for a high and sustained international demand. The Australian and New Zealand Labor parties gained a great deal of their impetus from the experience of those two countries in the depression of the thirties. This is also true of British Labor, but it



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may be that in Britain war-born socialism, imposed with the consent of all parties as a means of equalizing sacrifice, has a stronger influence that may persist in a period when Britain continues to face economic difficulties.

Moreover, the Chifley government in Australia was bidding for its third term in office, and Labor in New Zealand was attempting to repeat its long line of electoral victories despite the fact that its overwhelming majority in 1935 had been whittled down in successive contests. In Britain the Labor government is coming to the end of its first post-war term of office after winning a majority of almost 150 seats in 1945. To what extent Labor's vote-winning vigor has been curtailed as the result of the past four difficult post-war years is the all-important question for 1950, but it is a question that can only be answered in Britain—not in the farthest distant nations of the Commonwealth. While British Conservatives have taken heart from the Australian and New Zealand decisions, Laborites have been able to point to another by-election victory at home—their successful retention of the South Bradford seat in Yorkshire on December 8.

Expanding Australia

It is not only difficult to lump Labor's fortunes in Britain and the dominions; Australia and New Zealand also differ from each other. The impact of Labor's socialism in Australia has been markedly less than in either its sister dominion or in the mother country, even though Australia's first Labor Prime Minister took

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office in 1904, two years before a handful of Labor M.P.'s formally organized themselves as a parliamentary group in Britain. One reason for this is the inherent incompatibility of Australia's Federal Constitution—which has proved exceptionally difficult to amend—with centralized economic planning. Modeled in certain respects after the United States Constitution, the Australian document grants fewer economic powers to the Federal government than were included by the American founding fathers. A recent Labor attempt to nationalize Australia's commercial banks was declared unconstitutional by the High Court, a decision confirmed in July by the British Privy Council sitting as the supreme court for the Commonwealth.

Another reason for the limited appeal of socialism in Australia is also familiar to Americans—the existence of a challenging frontier. Press reports indicate that the Labor vote, while maintaining its strength in the older settlements, lost heavily in Queensland where newer enterprises are flourishing. Australia, with a land area roughly equal to that of the United States, has a population of about 8 million, an increase of 420,000 over the last census in June 1947. The government, which has been encouraging immigration from both Britain and continental Europe (striving to keep a 2-to-1 ratio in favor of the mother country), expects population increases of 2½ to 3 per cent annually, reaching a total of 10 million at the end

of 1957 and 20 million within the lifetime of most Australians. In keeping with this, great projects of industrial and agricultural development are under way. An expanding steel industry, based on substantial iron ore deposits in Western Australia, appears especially promising. The development of greater cattle herds, sugar cane production, hydroelectric schemes and other projects indicate that Australia has a bright and bustling future. This pattern is not likely to be affected by a shift in government as long as the world economic climate continues to provide fair weather for Australian exports.

The new Menzies regime goes into office without proposals for major changes. The Liberal campaign promises included the abolition of gasoline rationing, the repeal of other wartime controls, reduced taxation, restoration of compulsory military training, repeal of Labor's bank nationalization measure, a compulsory secret ballot in trade-union strike votes and a ban on the Communist party. The latter issue arises largely from a seven-week Communist-led strike in the coal mines last July and August—winter in Australia. Although the Labor government refused to ban communism, the courts have already curtailed Communist activities by the application of existing laws. Communist strike leaders were jailed for contempt of court, and the general secretary of the Communist party was sentenced in October to three years on sedition charges arising out of his statement that Australian

workers would welcome a highly theoretical invasion by the Soviet army in the "pursuit of an aggressor."

New Zealand Gradualism

While the Australian election is not expected to bring any upheaval in the affairs of the dominion, the poll in New Zealand will probably have less effect. Socialist measures have been introduced gradually over fourteen years of power, and most of them are widely accepted. One indication of this is the fact that New Zealand conservatives traditionally reject that label and refer to themselves as the Reform party or, as in the present case, the National party. There is even less difference between Labor and the National party in New Zealand than between Australian and British Labor and their oppositions—and these differences are small enough. Moreover, the November 30 verdict represented a small swing-over in votes. But this was decisive enough to turn Labor out, and it is a New Zealand tradition that the pendulum swings slowly and that a newly-elected government may expect several terms in office.

The two elections are not likely to affect the foreign policies of the dominions. The rest of the world, however, will miss accustomed faces at international gatherings—New Zealand's Peter Fraser and Australia's Herbert Vere Evatt, both of whom have proved popular leaders in world affairs.

WILLIAM W. WADE

FAO's Role Limited by U.S. Views on Food Plan

WASHINGTON—The United States is more responsible than any other nation for both the creation of the United Nations Food and Agriculture Organization and the limitations on the role the agency plays in international economic relations. In the four years of its existence the FAO has contributed four major ideas for the conduct of world affairs, and the United States has successfully led the opposition to adoption of all but one of them.

In practice the United States has not been willing to concede a larger function to the FAO than is conceded by the Truman Administration to other UN specialized agencies, notably the International Monetary Fund and the International Bank for Reconstruction and Development. No agency of the Administration advocates that the United States devise its economic policies (domestic or foreign)

in concert with other powers. The United States has objected to some FAO recommendations on the ground that they conflict with the philosophy of the proposed International Trade Organization, but to judge by official American attitudes toward existing specialized agencies or those, like UNRRA, which are now defunct, the Administration would pay slight attention to the ITO if it were functioning. The United States once more demonstrated the attitude it has consistently shown toward the specialized agencies during the conference of the FAO in Washington from November 21 to December 3.

Decisions of FAO Conference

The FAO is little more than an elaborate study group of sixty-three nations. The organization was conceived in 1943 at

the Food Conference which President Roosevelt convoked at Hot Springs, Virginia. The FAO came into existence two years later in Quebec and began almost at once to offer plans for alleviating and correcting economic dislocation. Its special conference in Washington in May 1946 established the International Emergency Food Council whose purpose was to be rapid distribution of foodstuffs from countries of plenty to desperately undernourished nations. The United States supported that decision. Yet in November 1946, this country led the forces which defeated the plan of Sir John Boyd Orr, then FAO Director-General, for establishment of a World Food Board empowered to distribute surpluses to the hungry on an international basis and to work for increases both in the consumption and production of foodstuffs throughout the

world. At the same time the United States shelved the recommendations of an FAO special mission to Greece for effecting financial and administrative reforms in that country under international supervision and with international aid, although Henry F. Grady, American Ambassador in Athens, is now urging Greeks, in a series of public speeches, to initiate similar reforms themselves.

The fourth proposal of the organization was embodied in a recommendation by FAO Director-General Norris E. Dodd to the recent conference in Washington that it establish an International Commodity Clearing House, to perform temporarily on a restricted scale what Orr's Food Board would have done permanently—that is, distribute surpluses to areas where food is scarce. Again the United States successfully guided opposition to the plan, which the conference rejected. As one example of the maldistribution which this plan would have endeavored to correct, eggs are still rationed in Great Britain while the United States Commodity Credit Corporation keeps 67,000,000 pounds of dried eggs impounded as surplus in warehouses as part of its program for supporting agricultural prices.

The accomplishments of the conference emphasized the restricted nature of the specialized agencies. Attention was centered not only on the functions of the FAO itself but also on political issues existing primarily outside the organization yet reflected within it. For example, the delegates of Egypt and Israel quarreled about the relationship of their countries

in prospective international developmental programs for the Middle East. European and Asian delegates displayed a xenophobic attitude toward the United States in deciding to establish the permanent headquarters of FAO in Rome in the buildings of the old International Institute of Agriculture, which the FAO absorbed in 1946. Washington had invited the FAO to settle for good in this country, but questions of color discrimination and comparative costs of living in the United States and Italy caused the conference to vote for Rome, although it will be at least a year before the move from the temporary quarters in Washington can take place. The conference increased FAO membership to sixty-three by accepting the applications of Sweden and Afghanistan. It rejected a proposal, to which the United States objected, that the regular annual budget be increased from \$4,500,000 to \$5,000,000 with a resulting increase in the American share from 25 per cent to 27.1 per cent. A bill pending on the calendar of the House Foreign Affairs Committee would increase American payments to FAO from \$1,250,000 to \$2,000,000 a year, but only for the purpose of financing larger programs for the organization.

Commodity Clearing House

In place of the International Commodity Clearing House, the conference, at American suggestion, set up a Committee on Commodity Problems, authorized merely to receive information from food-deficit countries on their needs and to encourage discussion of proposals that might

lead to action in eliminating surpluses and improving nutrition. The Clearing House would have moved surplus foods to deficit areas on a commercial basis, by accepting payments in soft currency from countries receiving food and holding them for dollar countries, presumably the main but not the only suppliers of food, until such time as the soft currencies would have become convertible. An initial investment of \$350,000,000—\$150,000,000 from the United States—would have provided a revolving fund for Clearing House operations. Supported by other food surplus nations, the United States contended that the scheme would prolong the period of inconvertibility.

The weakness of other currencies in relation to the dollar has prevented for several years the movement of surpluses in adequate quantities in the regular channels of international trade, and now that same weakness, as a result of the FAO conference decision, prevents the setting up of a system for moving surpluses by extraordinary means. The conference also recommended direct participation by the FAO in the Point Four program for aid to underdeveloped countries—a policy first outlined by President Truman at the 1948 FAO conference, two months before he developed it in his inaugural message last January. The one promising note struck at the conference is that American acceptance of a role for FAO in Point Four could mark the beginning of a new United States policy toward specialized agencies.

BLAIR BOLLES

FPA Bookshelf

Regional Conflicts Around Geneva, an Inquiry into the Origin, Nature, and Implications of the Neutralized Zone of Savoy and of the Customs-Free Zones of Gex and Upper Savoy, by Adda Breummer Bozeman. Stanford, Stanford University Press, 1949. \$5.00

A carefully documented, 432-page monograph giving the history of a focal area in European politics from the geographic, economic, political and legal points of view. The author is a professor of international relations at Sarah Lawrence College.

Conservatism Revisited: The Revolt Against Revolt, 1815-1949, by Peter Viereck. New York, Scribner's, 1949. \$2.50

A brilliant essay arguing the need for an enlightened conservative point of view in a day of fanatic nationalism and the omnipresence of "mass man," by an associate professor of European history at Mount Holyoke College, Pulitzer Prize winner in 1949. A re-evaluation, in the light of new material, of the career of the much-maligned Austrian statesman, Prince Metternich, serves as the touchstone for the author's central thesis.

The Pilgrimage of Western Man, by Stringfellow Barr. New York, Harcourt, Brace, 1949. \$4.00

A fascinatingly written historical exploration of the territory traversed by Christendom from St. Thomas Aquinas' ideal of the City of God to a world of nation states, by the president of St. Johns College, a leading advocate of world government and of the study of the "great books." The author depicts the emergence of a grim alternative for modern man—the creation of a global community or self-destruction.

Asian Relations, Being Report of the Proceedings and Documentation of the First Asian Relations Conference, New Delhi, March-April 1947. New Delhi, India, Asian Relations Organization, 1948. \$4.00

Students of contemporary Asia will benefit by a study of this record of the First Asian Relations conference which reveals, in a potpourri of discussion reports, ranging from racial problems to national movements, from agricultural reconstruction to women's rights, what the peoples of twenty-eight participating countries, including parts of Soviet Asia, think of themselves and their problems.

Japan since Perry, by Chitoshi Yanaga. New York, McGraw-Hill, 1949. \$6.00

An associate professor of political science at Yale University gives a detailed history of modern Japan in terms of the impact of the West and Japanese reactions, covering important personalities and events in all aspects of the country's development. Careful documentation and an extensive bibliography, especially of Japanese language sources, plus personal investigations by the author in the middle 1930's add to the value of this volume.

Shushin: The Ethics of a Defeated Nation, by Robert King Hall. New York, Teachers College, Columbia University, 1949. \$3.75

An important contribution to the understanding of modern Japan is made by this careful study of ethics teaching in the pre-war school system, including a translation of the *Shushin-sho*, the Japanese ethics textbook. The fundamental Japanese ideology, with the apotheosis of the Emperor at its core, is described in the context of the problems confronting the Occupation as it attempts to guide contemporary Japan toward a new role of peaceful world cooperation.

Cousins and Commissars: An Intimate Visit to Tito's Yugoslavia, by Milla Z. Logan. New York, Scribner's 1949. \$2.75

An American woman of Yugoslav origin who visited her family's birthplace on the Adriatic in 1948 gives an entertaining yet shrewd account of what the man and woman in the street then thought of Russia, communism, Tito and the United States.

Strategic Air Power: The Pattern of Dynamic Security, by Stefan T. Possony. Washington, Infantry Journal Press, 1949. \$5.00

In spite of its extremely difficult style and occasionally confusing presentation, this book by a student of war who for the past three years has conducted a military seminar at the Graduate School of Georgetown University deserves careful study by all who are seriously interested in the real, as distinguished from the wishful thinking, possibilities of air warfare. Giving detailed attention to the effects of strategic bombardment of specific targets and the potentialities of the atomic bomb, Mr. Possony comes to the conclusion that Douhet, Mitchell and Seversky have overestimated the ease of target bombing. He does not believe in a quick victory through air warfare in a war between great powers.

The Pattern of the Past: Can We Determine It?, by Pieter Geyl, Arnold J. Toynbee and Pitirim A. Sorokin. Boston, Beacon Press, 1949. \$2.00

This slim volume is charged with dynamite for historians. Professor Geyl of the University of Utrecht and Professor Sorokin of Harvard raise searching questions about the basic premises and conclusions of Toynbee's monumental *Study of History*; and Professor Toynbee gets a chance at rejoinder in a reprint of a BBC discussion with Professor Geyl.

Goethe, the Poet, by Karl Victor. Cambridge, Harvard University Press, 1949. \$5.00

One of the world's leading Goethe scholars, now Kuno Francke Professor of German Art and Culture at Harvard, adds a stimulating study to current evaluations of Goethe's contribution to Western civilization. Students of politics will find in this book many interesting glimpses of the German poet's attitudes toward the political cross-currents of his times.

Lenin, by David Shub. New York, Doubleday, 1948. \$5.00

An extraordinarily interesting and thoughtful biography presenting Russia's Communist leader in the perspective of contemporary events. The author, an editorial writer on the *Jewish Daily Forward* in New York, had been a member of the Russian Social Democratic party in 1903, at a time when Lenin was one of its principal figures, and was well acquainted with other Social Democrats, both Bolsheviks and Mensheviks. In this many-faceted book, he succeeds remarkably in being both objective and penetratingly critical.

Stafford Cripps: Master Statesman, by Eric Estorick. New York, John Day, 1949. \$5.00

Although the author is far too uncritical and unanalytical about his subject, this is a useful portrait of Britain's Chancellor of the Exchequer, one of the most interesting figures in the Labor government who was also a former party renegade, a wartime ambassador to Russia and special envoy to India. Mr. Estorick is wise to quote liberally from Sir Stafford's speeches and writings.

The Struggle for Germany, by Drew Middleton. Indianapolis—New York, Bobbs-Merrill, 1949. \$3.00

The chief correspondent of the *New York Times* in Germany gives a painstaking account of the great-power struggle over the future of the German nation. He reaches the conclusion that Germany's defeat in World War II was so much more complete than in World War I that "it is impossible for anyone to view the German problem of today as similar to the problem of a quarter of a century ago." This conclusion seems at variance with his current dispatches in the *New York Times*, which emphasize the renazification of Germany and the return to power of industrialists and political leaders connected with Hitler.

The Turning Stream, by Duncan Aikman. New York, Doubleday, 1948. \$5.00

A well-known newspaperman who during the war was chief consultant of the Press Division in the Office of American Affairs and has written extensively on Latin America, looks with courage and imagination at the main trends of thought and action in this country.

Lessons on Security and Disarmament from the History of the League of Nations, by James T. Shotwell and Marina Salvin. New York, King's Crown Press, 1949. Published for the Carnegie Endowment for International Peace. \$2.25

A concise analysis of all the security disputes brought before the Council of the League of Nations constitutes the unique and most valuable portion of this volume. It also includes a discussion of the Covenant and efforts between the wars to devise means for keeping the peace, an essay on the Manchurian and Ethiopian problems and a documentary appendix.

Political Power in the U.S.S.R., 1917-1947, by Julian Towster. New York, Oxford University Press, 1948. \$6.00

An excellent study of the political institutions of the U.S.S.R., both in theory and in practice, thoroughly documented and refreshingly objective.

Stalin and Co.: The Politburo—the Men who Run Russia, by Walter Duranty. New York, Sloane, 1949. \$3.00

Mr. Duranty, a veteran correspondent known particularly for his dispatches from Moscow for thirteen years, analyzes the characters and views of the members of the Soviet dictatorship. He thinks all of them are in some degree "prisoners" of their own beliefs and hopes, or perhaps of their own delusions." At the same time he believes that, barring war, various factors now at work in Russia "will act, albeit slowly and gradually, against the perpetuation of dictatorship in general and of an individual dictator in particular."

Germany: Key to Peace in Europe, by Karl Brandt. Claremont, California, Claremont College, 1949. \$2.75

In this small volume, consisting of lectures delivered at the Associated Colleges of Claremont, Dr. Karl Brandt, German-born economist who has been on the faculty of Stanford University since 1938, sums up his impressions of post-war developments in Germany. The contribution the United States should make, in his opinion, is to use "our influence to bring about real conciliation between Germany and her Western neighbors—at once, and the purchase of a broad flow of German export goods and services."

News in the Making

INDONESIAN PROSPECTS: Full transfer of sovereignty to the provisional government of Indonesia, scheduled for December 27, becomes more imminent now that all but three of the Indonesian states and the Dutch Second Chamber have ratified the Round Table agreements. Action by the Indonesian Republic's provisional parliament and by the Dutch First Chamber has yet to be taken. The first Indonesian president, generally expected to be Sukarno, will be elected on December 17. Despite guarantees by the Indonesians in the Round Table economic agreement, there has been some loss of confidence among Dutch investors as reflected by a heavy slump on the Amsterdam Stock Exchange. Other Dutch observers, however, notably the firm of van der Werff & Hubrecht in a recent publication, have painted an optimistic view of future trade and investment prospects in Indonesia.

AID TO SPAIN: Visiting Congressional representatives have recently encouraged Spanish authorities to believe that the coming session of Congress, in the absence of determined State Department resistance, will witness a successful drive to incorporate Spain in the foreign aid program. An allusion to certain preconditions for aid, however, was made by Representative Joseph L. Pfeifer, Democrat of New York, and member of the House Foreign Affairs Committee who, when asked in Madrid, on December 11, what the United States was going to do about Spain, explained that the question ought rather to be, "What is Spain going to do about the United States?"

PHILIPPINE EXCHANGE CONTROL: To curtail an extraordinary recent increase in the outflow of dollars, the Philippine government on December 9 announced the imposition of exchange control under which imports would be licensed and the purchase of luxury and semi-luxury goods curtailed. The government, however, is not expected to devalue the peso, which is tied to the dollar under the Philippine Trade Act of 1946. The establishment of exchange control has aroused speculation as to whether the flight of dollars meant loss of faith in the government.

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